# **GLOSSARY**

# GENERAL FUND TYPE DESCRIPTION

Operating Tax Funds are those operating funds which receive some of their revenues from property taxes.

**GENERAL FUND (0100)** - The General Fund accounts for all financial transactions not accounted for in another fund. It finances many activities such as general government, public safety, streets, health, culture and recreation. It receives financial support from a number of sources such as general property taxes, licenses and permits, franchise fees, charges for services, fines and forfeits.

### SPECIAL REVENUE FUNDS DESCRIPTIONS

Special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes, other than expendable trusts or other major capital projects.

**ARENA RESERVE (2600)** - This fund is a holding fund for Target Center related activity.

<u>CDBG (0400)</u> - This fund accounts for federal grants received under the Community Development Block Grant program.

<u>CONVENTION CENTER FUND (0760)</u> - This fund accounts for the operations of the Convention Center, the proceeds of the five City sales taxes and the debt service payments for the Convention Center and its related facilities.

<u>CONVENTION FACILITIES RESERVE FUND (2790)</u> - This fund is a holding fund for parking and sales tax revenue associated with Convention Center related facilities.

**EMPLOYEE RETIREMENT (0990)** - This fund accounts for tax levy proceeds and state aid revenues for sworn fire and police personnel retirement, as well as, for the retirement program of civilian city employees hired prior to coverage by the state PERA.

**FEDERAL GRANTS FUND (0300)** - This fund is used to account for federal grants not accounted for in either Community Development funds or federal pass-through funds from state agencies.

GRANTS - OTHER FUND (0600) - This fund accounts for all other grants received not accounted for in another fund.

<u>POLICE SPECIAL REVENUE FUND (2100)</u> - This fund accounts for all revenue and expenses from charitable gambling taxes and seizure of assets under state and federal law.

### CAPITAL FUND DESCRIPTION

Capital funds account for financial resources to be used for the acquisition and construction of major capital facilities.

**PERMANENT IMPROVEMENT (4100)** - This fund accounts for all capital improvement projects for the city, financed primarily by property tax, proceeds from the sale of bonds, state reimbursement and special assessments.

### DEBT SERVICE FUNDS DESCRIPTIONS

Debt service funds account for the resources accumulated for the payment of principal and interest on general long term debt.

**BOND REDEMPTION - MULTI PURPOSE FUND (5250)** - This fund accounts for the accumulation of resources for the payment of interest and principal on general long term debt not accounted for in another debt service fund.

**BOND REDEMPTION - SPECIAL ASSESSMENT FUND (5450)** - This fund accounts for the accumulation of resources for the payment of interest and principal on special assessment debt.

<u>DEBT SERVICE - DEVELOPMENT PROJECTS</u> - This group of funds accounts for the accumulation of resources for the payment of interest and principal on general long term debt related to development projects. This group includes, the Conventions Center Related Debt Service Fund (5300), the Target Center Debt Service Fund (5350), the Concert Hall Bond Sinking Fund (5600) and the Tax Increment Debt Service Fund (5900).

<u>PARK ACQUISITION AND IMPROVEMENT DEBT FUND (5360)</u> - This fund accounts for the accumulation of resources for the payment of interest and principal on special assessment debt related to park and parkway improvement debt.

# ENTERPRISE FUNDS DESCRIPTIONS

Enterprise funds are the funds of City business enterprises providing goods or services on a fee basis to the general public which are intended to be self sufficient.

<u>MUNICIPAL PARKING FUND (7500)</u> - This fund accounts for the operations of on-street and off-street parking facilities and parking enforcement.

**SEWER RENTAL FUND (7300)** - This fund accounts for fees collected from the customers connected to the City sewer system and for all expenses of operating this system.

**SOLID WASTE FUND (7700)** - This fund accounts for the City's revenues and expenditures for solid waste collection and recycling.

<u>WATER REVENUE FUND (7400)</u> - This fund accounts for the activities of the municipal utility providing water services to the City and adjoining communities.

# INTERNAL SERVICE FUNDS DESCRIPTIONS

Internal service funds account for the financing of goods or services provided by one department or agency to other departments on a cost reimbursement basis.

**EQUIPMENT FUND (6100)** - This fund accounts for internal rental of equipment, operators and space to other City departments by the Public Works Equipment Division.

**INTERGOVERNMENTAL SERVICE FUND (6400)** - This fund accounts for various internal support functions including computer services and development, postage, printing, and telecommunications.

**LAND AND BUILDINGS FUND (6200)** - This fund was established to account for the maintenance of property and City buildings operated by the Public Works General Services Division.

<u>PAVING PRODUCTS FUND (6000)</u> - This fund accounts for the operations of the asphalt plant, concrete plant and testing laboratory.

<u>PUBLIC WORKS STORES FUND (6300)</u> - This fund accounts for the purchase and issuing of public works-type supplies and materials as well as office supplies.

**SELF INSURANCE FUND (6900)** - This fund accounts for employee benefits, both employer's and employee's portions, and associated administrative costs associated with the programs. The fund also accounts for general liability claims, workers compensation and the unused sick leave payments to departed employees.

# INDEPENDENT BOARDS FUNDS DESCRIPTIONS

**ESTIMATE AND TAXATION FUND (1000)** - This fund accounts for the operation of the Board of Estimate and Taxation, which establishes maximum tax levies for the City, it's Boards and Commissions.

#### **LIBRARY BOARD FUNDS - COMBINES:**

**LIBRARY GENERAL FUND (1800)** - This fund accounts for the operations and maintenance of all City-owned libraries under the supervision of the Library Board and is their "general fund".

<u>PERMANENT IMPROVEMENT - LIBRARY BOARD (4400)</u> - This fund accounts for the capital improvement projects of the library board.

MCDA FUNDS - COMBINES: - All mcda funds, accounting for all the activities of the MCDA.

#### **MUNICIPAL BUILDING COMMISSION FUND - COMBINES:**

**MUNICIPAL BUILDING COMMISSION FUND (1100)** - This fund accounts for the cost of operating and maintaining the City Hall/Court House building.

<u>PERMANENT IMPROVEMENT - MUNICIPAL BUILDING COMMISSION (4200) -</u> This fund accounts for the capital improvement projects of the Municipal Building Commission.

**NRP ADMINISTRATIVE FUND (2300)** - This non-City fund accounts for administrative revenue and expenditures of the Neighborhood Revitalization Policy Board which was established under a joint powers agreement with the Park and Library Boards, Hennepin County and the Minneapolis School Board.

#### PARK BOARD FUNDS - COMBINES:

<u>PARK AND RECREATION FUND (1500)</u> - This fund accounts for the operations and maintenance of all City-owned parks under the supervision of the Park and Recreation Board and is their "general fund".

**PARK MUSEUM FUND (1600)** - This fund accounts for the county-wide property tax levy supporting the Minneapolis Art Institute.

TREE PRESERVATION AND REFORESTATION FUND (1700) - This fund finances the planting, care and maintenance of trees on public boulevards and parks and the removal, care and maintenance of diseased trees.

PARK LAND FUND (1950) - This fund accounts for assets held for the purchase and improvement of park land.

<u>PARK ACQUISITION AND IMPROVEMENT FUND (3700)</u> - This fund accounts for special assessments for parkway improvements and the removal of diseased shade trees not financed by bonds from private residential property.

<u>PERMANENT IMPROVEMENT - PARK AND RECREATION BOARD (4300)</u> - This fund accounts for the capital improvement projects of the Park and Recreation Board.

<u>PARK EQUIPMENT AND STORES (6600)</u> - This fund is the Park Board's interdepartmental equipment and central stores fund.

PARK SELF INSURANCE (6700) - This fund accounts for the Park Board's revolving self-insurance program.

<u>PARK OPERATING FUND (7800)</u> - This fund accounts for the operation of the City's golf courses, refectories, ice arena, tennis courts and similar recreational activities.

<u>YOUTH COORDINATING BOARD (2200)</u> - This fund accounts for all revenue and expense of the Youth Coordinating Board which was established under joint powers agreement with Hennepin County and the Minneapolis School Board.

<u>PUBLIC HOUSING FUNDS</u> - This group of non-city funds presents the totals for all funds associated with the Minneapolis Public Housing Authority.

#### **GLOSSARY OF TERMS**

<u>Agency</u> - In FISCOL, this is the term for the highest organizational level, in most cases a city department or independent board.

<u>Contractual Services</u> - The summary expense category which displays expenses such as contracts for service, quasi-contractual arrangement such as utilities, or services billed by another unit of government.

<u>Cost Center/Level 2</u> - The lowest level of organizational unit for purposes of budget presentation. Cost Centers are usually provided where organizational units below the department level are needed for a clear breakdown of budget information. Cost Centers are also referred to as Level 2 in some documents. This is the organizational level of Cost Centers in FISCOL.

<u>Fiscal Disparities</u> - Fiscal Disparities is a law by which commercial-industrial tax base growth is shared annually among metropolitan taxing jurisdictions according to a statutory formula.

<u>FISCOL</u> - Acronym for Financial Information System City of Lakes, the automated finance system used to prepare most of the financial information in this document. This system is also used for all other accounting transactions within the City.

<u>FTE (Full Time Equivalent)</u> - A unit of measurement to account for the number of positions authorized to departments. One FTE is equivalent to one employee working 2080 hours in 2000.

<u>Fund</u> - A major accounting vehicle used by the city to account for revenues, expenditures, assets, and liabilities of major sectors of city activities as established by legal requirements.

**Fund Summary** - A budgetary document that summarizes on an annual basis the activities of a city fund. It compares revenues with expenditures on an annual basis. This budget fund summary may not be the same as the audited financial statement since the fund summary includes only resources which are available to pay expenses of the fund (i.e. excludes inventory and depreciation) during the current year.

<u>HACA</u> - The Homestead and Agricultural Credit Aid is a form of state aid to local governments to compensate for tax revenue that is lost because of lower tax rates for homesteaded residential property (versus non-homesteaded).

<u>Market Value</u> - The estimated amount as determined by the City Assessor that a willing seller and a willing buyer would agree upon for a piece of property.

<u>Mayor's Recommendation</u> - The recommended annual budget by the Mayor as required by the City Charter.

**<u>Net Tax Levy</u>** - This is the total tax levy less HACA (but including fiscal disparities). The net tax levy is now the certified tax levy as required by a change in state law.

<u>Operating Tax Funds</u> - Those funds at least partially financed by property taxes which support the normal functions of city government. They include the General fund, Board of Estimate and Taxation fund, Municipal Building Commission fund, Library fund, and the Park Tax funds.

<u>Original/Current Appropriation</u> - The amount of money allocated by the respective governing body for the budgeted year. The original appropriation is the amount approved at the time the budget was initially adopted. The current appropriation is the original budget as amended to reflect any approved changes.

<u>Tax Capacity</u> - That amount of estimated market value subject to taxes after the total estimated value is multiplied by a "tax classification rate".

<u>Tax Capacity Rate</u> - After calculating the dollars to be levied, each taxing jurisdiction uses the total tax capacity to calculate their "tax capacity rate". This rate is essentially the percentage of tax capacity to be paid in taxes.

<u>Tax Classification Rate</u> - The percentage set by state statute that is applied to the market value of each property classification to arrive at tax capacity. (This replaced assessment ratios.)

<u>Total Expenses</u> - The total costs of a cost center including debt service and capital improvements.

<u>Truth In Taxation Law</u> - In 1988, the Minnesota Legislature passed a law designed to make local governments more accountable for property tax increases. The law requires that local governments inform taxpayers of proposed tax levy amounts and adopt budgets at public hearings.